

June 10, 2020

Directive 2020-09

TO: ALL PARTICIPATING LENDERS

SUBJECT: DOWN PAYMENT ASSISTANCE LIEN SUBORDINATION

We would like to remind our partners that the Maryland Mortgage Program (MMP) Down Payment Assistance (DPA) loans are repayable upon refinance unless using an MMP first mortgage refinance loan product (at the date of this directive, the only option is the [97% LTV FNMA Conventional Refinance Loan](#)). This subordination policy was in effect for most of the past decade with a few exceptions related to the auto-subordination law that has been amended by House Bill 314 of 2020.

Exceptions to this policy will be addressed on a case-by-case basis, but will mostly be limited to hardships related to the COVID-19 pandemic. Lenders seeking subordination of an MMP DPA loan for an MMP refinance or for a borrower with a COVID-19 hardship as well as for all payoff information for MMP DPA liens for other refinances should contact US Bank at:
PRPayoffQuoteRequestMAL@usbank.com

As always, we appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing